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SURREBUTTAL TESTIMONY

OF

BRUCE KENNEDY, P.E.

TO

THE STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

RE: APPLICATION OF SKYLAND UTILITIES, LLC

FOR ORIGINAL WATER AND WASTEWATER CERTIFICATES

IN HERNANDO AND PASCO COUNTIES, FLORIDA

DOCKET NUMBER 090478-WS

JULY 2, 2010

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1 Q. Please state your name.

2 A. Bruce Kennedy.

3 Q. Where are you currently employed?

4 A. Pasco County Utilities Department.

5 Q. Are you the same Bruce Kennedy that previously provided testimony in this
6 proceeding?

7 A. Yes.

8 Q. What is the purpose of this testimony?

9 A. To provide surrebuttal testimony in this proceeding.

10 Q. Have you read the Rebuttal Testimony of Gerald C. Hartman filed in this matter?

11 A. Yes, I have read Hartman's Rebuttal Testimony.

12 Q. On page 29, lines 18-24, Hartman discusses the public interest benefit of providing
13 central water and wastewater services. Do you agree with this testimony?

14 A. No, I do not agree. While it is generally true that the provision of central water and
15 wastewater services is preferred over private wells and septic systems, there are important
16 exceptions. For example, in areas of low density of development (e.g., 1 unit per 10 acres as
17 proposed in this proceeding) private wells and septic systems are generally preferred as being
18 much more economical, while providing appropriate environmental protections. There is
19 absolutely no indication that any of the wells in the areas sought to be certificated are
20 contaminated, or that any of the septic systems in these areas are not performing their
21 function safely and effectively. Further, no evidence of any problems with the existing wells
22 and septic systems on the property sought to be certificated has been provided by Skyland;
23 indeed, Skyland has admitted that there are no problems with the water and wastewater
24 services to their existing facilities.

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1 Q. On page 30, line 19 through page 31, line 5, Hartman discusses rates. Do you agree
2 with this testimony?

3 A. Absolutely not. First, it is notable that Hartman does not dispute my main contention
4 – i.e., that Skyland’s proposed rates are substantially higher than those charged by Pasco
5 County. Second, Hartman essentially argues that since there is only one customer for
6 Skyland (Evans Properties), and because this single customer knows going in what its rates
7 will be, it does not matter that Skyland’s rates will be substantially higher than Pasco’s rates.

8 Q. On page 31, line 6 through page 32, line 12, Hartman discusses Pasco’s ability to
9 serve Skyland’s proposed service area. Do you agree with this testimony?

10 A. Absolutely not. Pasco has a history of serving areas that are designated for sufficient
11 density/intensity of development in the comprehensive plan, areas that are contiguous to such
12 areas or otherwise efficiently served because of installed or near-by facilities, areas that have
13 an environmental issue that makes private wells and septic systems unviable, and isolated
14 areas that are outside existing service areas. For example, Pasco County has successfully
15 serviced similar, isolated areas located beyond existing water and wastewater infrastructure
16 by implementing some of the same strategies proposed by Skyland, but with the long term
17 benefit of being part of the county-wide public utility system. A good example of this is
18 Lake Jovita, a residential and golf course community located in east-central Pasco. This
19 development was over three miles from our closest point of connection for water and
20 wastewater service. Pasco County and the and owner established a service agreement to use
21 existing agricultural wells on the property for water supply and to use a small package
22 wastewater treatment plant to address the need for central wastewater services. We were also
23 able to extend reclaimed water service for beneficial reuse by the golf course. Pasco County
24 continues to operate the isolated water supply system, but has extended wastewater

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1 transmission facilities to the area and has taken the package plant offline. Thus, Pasco
2 County has a proven record of providing service to isolated areas, when requested, and when
3 appropriate. Pasco County also has direct experience in working with Mr. Charles Coultas,
4 with the FDEP, to find solutions to extending water service infrastructure to address
5 contamination of private wells. In the event any of the parcels in Pasco County that Skyland
6 seeks to certificate fall into one or more of these categories, Pasco's policy would be to
7 provide central services. Further, if such a condition was met, and Pasco provided central
8 services, the rates charged by Pasco would be significantly less than those proposed by
9 Skyland because Pasco's rates are determined on a system wide basis. Thus, even if it is
10 assumed that Skyland could more effectively or efficiently deliver utility services (an
11 assumption with which I do not agree), Skyland's rates would nonetheless be far in excess of
12 rates charged by Pasco.

13 Q. Does that conclude your surrebuttal testimony?

14 A. Yes it does.

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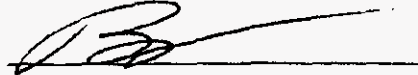
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End of Testimony

Dated this 2nd day of July, 2010



Bruce Kennedy